Quarter 1 Financial Report

For the period ended March 31, 2015

Introduction 1

CIC Consolidated Management's Discussion and Analysis 2

CIC Condensed Consolidated Financial Statements 9

CIC Separate Management's Discussion and Analysis 21

CIC Condensed Separate Financial Statements 24

CIC Crown Investments Corporation of Saskatchewan

Introduction

Crown Investments Corporation of Saskatchewan (CIC) is the Provincial Government's holding corporation for its commercial Crown corporations. CIC has invested equity in its subsidiary corporations and collects dividends from these corporations.

The purpose of the following discussion is to provide users of CIC's financial statements with an overview of its financial health. This narrative on CIC's 2015 first quarter financial results should be read in conjunction with the December 31, 2014 audited consolidated and separate financial statements. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those disclosed in CIC's December 31, 2014 audited consolidated financial statements, except as described in Note 3 to the unaudited condensed consolidated interim financial statements.

To facilitate greater transparency and accountability, CIC prepares two different sets of financial statements: CIC's consolidated financial statements that report on the commercial Crown sector; and CIC's separate financial statements that reflect its role as a holding corporation for the Province.

CIC Consolidated Financial Statements

CIC's consolidated financial statements include CIC's results consolidated with the results of its subsidiary corporations. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and include:

- Financial results of subsidiary Crown corporations:

  SaskEnergy Incorporated (SaskEnergy)
  Saskatchewan Gaming Corporation (SGC)
  Saskatchewan Government Insurance (SGI)
  Saskatchewan Opportunities Corporation (SOCO)
  Saskatchewan Power Corporation (SaskPower)
  Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)
  Saskatchewan Transportation Company (STC)
  Saskatchewan Water Corporation (SaskWater)

- Financial results of wholly-owned subsidiary share capital corporations:

  CIC Asset Management Inc. (CIC AMI)
  CIC Economic Holdco Ltd.
  First Nations and Métis Fund Inc. (FNMF)
  Saskatchewan Immigrant Investor Fund Inc. (SIIF)

- Costs incurred by its wholly-owned non-profit subsidiary Gradworks Inc.;
- Dividends paid by CIC to the General Revenue Fund (GRF); and
- CIC's operating costs, public policy expenditures and interest earned on cash and cash equivalents, short-term investment balances and equity earnings on equity accounted investees.

Consolidated earnings represent the total earnings in the Crown sector, taking into consideration the elimination of all inter-group transactions (i.e. revenues and expenses between Crown corporations and dividends paid by Crown corporations to CIC).

CIC Separate Financial Statements

CIC's separate financial statements are used to determine CIC's capacity to pay dividends to the Province's GRF. The unaudited condensed separate interim financial statements have been prepared in accordance with IAS 27 - *Separate Financial Statements* and IAS 34 - *Interim Financial Reporting* at the request of the Saskatchewan Legislative Assembly. These financial statements are intended to isolate the Corporation's cash-flow, capital support for certain subsidiary corporations, and public policy expenditures. These financial statements include:

- Dividends from subsidiary Crown corporations (SaskTel, SaskEnergy, SGI, SGC, SaskWater and SOCO);
- Dividends from the Corporation's investment in Information Services Corporation;
- Dividends paid by CIC to the GRF;
- Grants to subsidiary corporations; and
- CIC's operating results and public policy expenditures.

Consolidated Financial Statements

Management's Discussion and Analysis

Forward-Looking Information

Throughout the Annual Report, and particularly in the following discussion, are forward-looking statements. These statements can be recognized by terms such as "outlook," "expect," "anticipate," "project," "continue," or other expressions that relate to estimations or future events. By their nature, forward-looking statements require assumptions based on current information, management experience and historical performance. Forward-looking information is subject to uncertainties, and, as a result, forward-looking statements are not a guarantee about the future performance of CIC and its subsidiary Crown corporations.

Readers should not place undue reliance on forward-looking statements, as a number of factors could cause actual results to differ materially from estimates, predictions and assumptions. Factors that can influence performance include, but are not limited to: weather conditions, commodity markets, general economic and political conditions, interest and exchange rates, performance, competition and regulatory environment. Given these uncertainties, assumptions contained in the forward-looking statements may or may not occur.

Major Lines of Business

CIC is involved in a broad array of industries through various forms of investment. A number of investments are held as wholly-owned subsidiaries, while others are associates, joint ventures and joint operations, held through CIC's wholly-owned subsidiaries.

Management's Discussion & Analysis (MD&A) highlights the primary factors that have an impact on the consolidated financial results and operations of CIC. It should be read in conjunction with CIC's unaudited condensed consolidated interim financial statements and supporting notes for the period ended March 31, 2015. These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting*.

The unaudited condensed consolidated interim financial statements do not include all the disclosures included in CIC's annual audited consolidated financial statements. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with CIC's December 31, 2014 audited consolidated financial statements. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those disclosed in CIC's December 31, 2014 audited consolidated financial statements, except as described in Note 3 to the unaudited condensed consolidated interim financial statements.

Management's Discussion and Analysis (continued)

Major Lines of Business (continued)

For purposes of CIC's consolidated MD&A, "CIC" and "the Corporation" refers to the consolidated entity. The following table lists significant wholly-owned subsidiaries, including the respective business line, which CIC consolidates in its financial statements:

Type	Investment	Major Business Line
Utilities	Saskatchewan Power Corporation (SaskPower)	Electricity
	Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Telecommunications
	SaskEnergy Incorporated (SaskEnergy)	Natural Gas Storage and Delivery
	Saskatchewan Water Corporation (SaskWater)	Water and Wastewater Management
Insurance	Saskatchewan Government Insurance (SGI)	Property and Casualty Insurance
Entertainment	Saskatchewan Gaming Corporation (SGC)	Entertainment
Investment and Economic Growth	CIC Asset Management Inc. (CIC AMI)	Investments
	Saskatchewan Opportunities Corporation (SOCO)	Research Parks
	Saskatchewan Immigrant Investor Fund (SIIF)	Construction Loans
Transportation	Saskatchewan Transportation Company (STC)	Passenger and Freight Transportation

Subsidiary Corporation Earnings (Losses) (millions of dollars) (unaudited)	For the three months ended March 31 2015	 March 31 2014
SaskPower	**$ 45.2**	$ 105.4
SaskEnergy	**55.2**	63.0
SaskTel	**20.8**	27.6
SGI	**43.3**	29.1
SGC	**5.9**	5.4
SaskWater	**1.7**	1.4
CIC AMI	**0.9**	1.3
SOCO	**0.8**	1.5
SIIF	**(0.1)**	0.2
STC	**(0.9)**	(0.2)
CIC (separate), Consolidation Adjustments and Other[1]	**(4.4)**	(6.4)
Net earnings	**$ 168.4**	$ 228.3

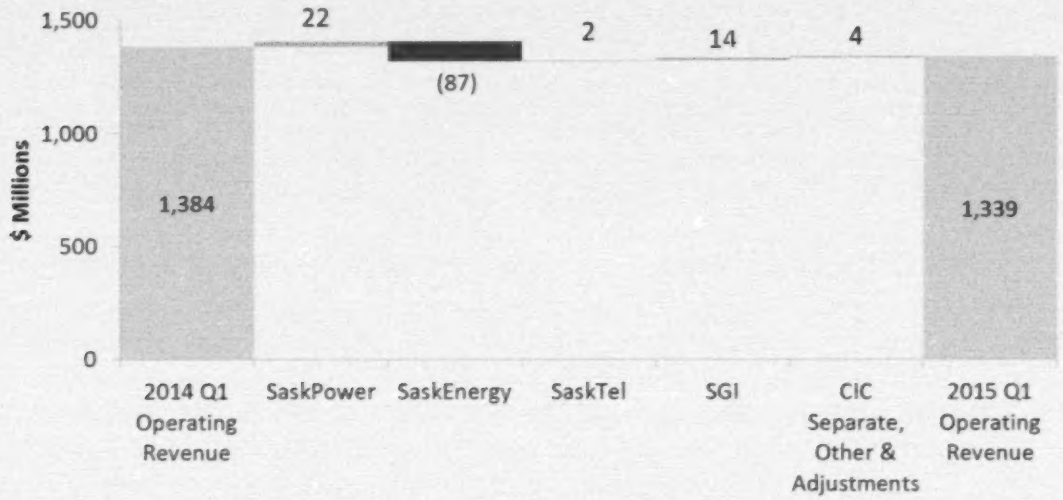
[1] Consolidation adjustments reflect the elimination of all inter-entity transactions, such as grants from CIC to Crown corporations, revenues and expenses between Crown corporations and dividends paid by Crown corporations to CIC.

The Corporation's consolidated net earnings for the three months ended March 31, 2015 were $168.4 million (2014 - $228.3 million) or $59.9 million lower than the same period in 2014. The decrease is primarily related to a decrease in earnings at SaskPower, SaskTel and SaskEnergy partially offset by an increase in earnings at SGI.

Management's Discussion and Analysis (continued)

Revenue

Changes in Operating Revenue



Revenue for the first three months of 2015 was $1,339.5 million (2014 - $1,384.1 million) or a $44.6 million decrease over the same period in 2014 primarily related to:

- A $87.1 million decrease in SaskEnergy revenue primarily due to a large decrease in gas marketing activity and lower delivery revenue from a warmer winter. These decreases in revenue were partially offset by increases in commodity revenue from a rate increase effective July 1, 2014 and an increase in transportation and storage revenue from a rate increase effective January 1, 2015.

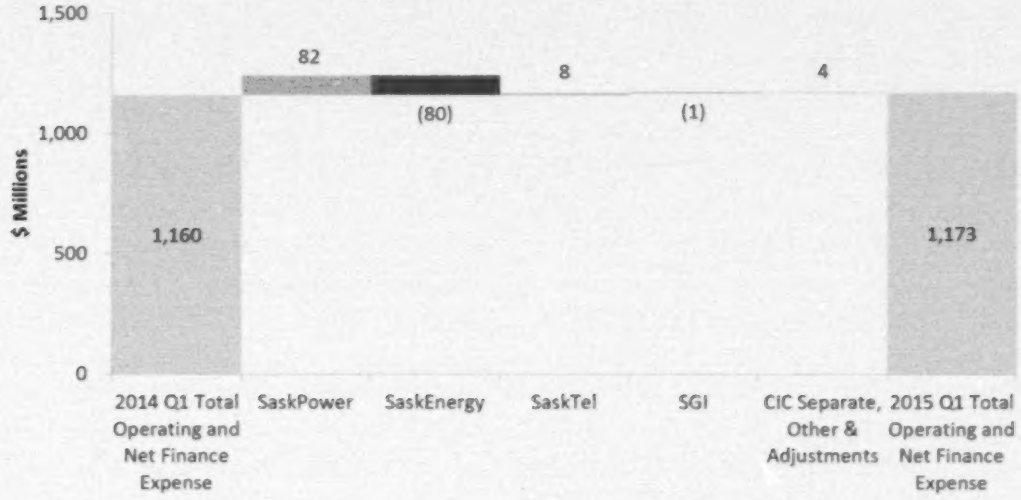
This is partially offset by:

- A $22.0 million increase in SaskPower revenue primarily due to an increase in Saskatchewan electricity sales from a 3.0 per cent system-wide average interim rate increase effective January 1, 2015 combined with increased power usage in Saskatchewan driven by growth; and
- A $14.2 million increase in SGI revenue driven from increased revenue in Saskatchewan, Alberta, and Ontario. Saskatchewan revenue increased primarily as a result of price increases from rate changes and inflation in all lines of business. Alberta experienced large increases in the automobile business insurance and Ontario had increases primarily related to personal auto and commercial lines.

Management's Discussion and Analysis (continued)

Operating Expenses and Net Finance Expense

Changes in Operating Expenses and Net Finance Expense

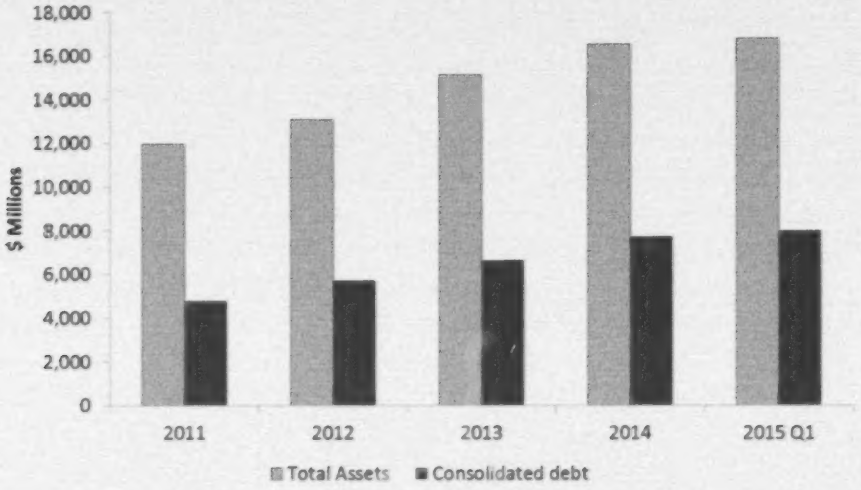


Operating expenses and net finance expense for the first three months of 2015 was $1,172.7 million (2014 - $1,159.7 million) or a $13.0 million increase from the same period in 2014 primarily related to:

- An increase of $81.9 million in SaskPower expenses primarily related to unfavourable market value adjustments compared to favourable market value adjustments in the same period for 2014 and increased depreciation and net finance expenses as a result of significant capital investments. This is slightly offset by a change in the mix of power generation from high priced natural gas to less expensive coal and hydro; and
- An increase of $8.3 million in SaskTel expenses primarily related to an increase in wireless services. Also, depreciation increased due to significant capital investment and adjustments to the useful lives of certain assets to coincide with revised exit dates for the related technologies.

This is slightly offset by a $80.5 million decrease in SaskEnergy expenses mainly related to decreases in gas marketing activity at SaskEnergy, lower gas prices and a decrease in favourable unrealized market value adjustments.

Capital Spending



In the first three months of 2015, property, plant and equipment, intangible asset and investment property purchases were $328.1 million (2014 - $362.7 million). Major 2015 capital expenditures included:

- $236.2 million at SaskPower related to renewing other generation assets such as repowering the Queen Elizabeth Power Station, connecting customers to the electric system, increasing capacity and sustaining transmission and distribution infrastructure, and Information Technology projects;
- $48.7 million at SaskTel on growth initiatives such as Fibre to the Premises, wireless network enhancements, the data centre and the Regional Ethernet Transport network;
- $31.0 million at SaskEnergy primarily on system expansion to meet residential and industrial customer growth and capital to ensure the safety and integrity of its extensive distribution and transmission systems; and
- $9.1 million at SaskWater related to the potash industry.

In the first three months of 2015, investment purchases were $226.9 million (2014 - $485.8 million), a decrease of $258.9 million. The majority of the decrease is related to:

- A $88.2 million decrease in purchases at SGI attributed to efforts to manage its short and long-term investment portfolio asset mix during the period; and
- A $183.0 million decrease in purchases of investments related to CIC Separate, which is mostly the result of reclassifications of cash between cash and cash equivalents and short-term investments. Short-term money market investments are classifed as cash and cash equivalents if the maturity of the investment is 90 days or less and classified as short-term investments if the maturity date is 91 days or more.

This is partially offset by an increase in purchases at SIIF as a result of more mortgages issued.

Consolidated debt at March 31, 2015 was $7,976.8 million (December 31, 2014 - $7,716.1 million), an increase of $260.7 million. The increase in debt is primarily due to:

- A $272.1 million increase in SaskPower debt to fund its $236.2 million in capital expenditures during the period; and
- A $21.8 million increase in SaskTel debt to fund a portion of its $48.7 million in capital expenditures during the period.

This is partially offset by a $37.8 million decrease in SaskEnergy debt as the winter provides high natural gas consumption, resulting in increased cash flow to offset outstanding short-term debt.

Liquidity

CIC and its subsidiary Crowns finance capital requirements through internally generated cash flow and borrowing. The GRF borrows in capital markets on behalf of Crowns. The GRF has sufficient access to capital markets for anticipated borrowing requirements.

Province of Saskatchewan Credit Ratings on Long-Term Debt as at March 31, 2015	
Moody's Investor Service	Aaa
Standard & Poor's	AAA
Dominion Bond Rating Service	AA

Liquidity and Capital Resources

Cash Flow Highlights (millions of dollars) (unaudited)	**For the three months ended March 31 2015**	March 31 2014
Net cash from operating activities	**$ 124.0**	$ 189.2
Net cash used in investing activities	**(315.2)**	(566.6)
Debt proceeds received	**310.9**	696.5
Debt repaid	**(4.0)**	(3.4)
Decrease in notes payable	**(49.3)**	(470.6)
Other financing activities	**(43.8)**	(13.3)
Change in cash and cash equivalents	**$ 22.6**	$ (168.2)

Operating, Investing and Financing Activities

Net cash from operating activities for the three months ended March 31, 2015 was $124.0 million (2014 - $189.2 million) or a decrease of $65.2 million. The decrease relates to:

- A $59.9 million decrease to net earnings;
- A $96.7 million decrease from changes in non-cash working capital balances;
- A $2.5 million increase in interest paid, attributed to higher consolidated debt balances; and
- A $1.5 million decrease in cash from operating activies from discontinued operations due to the Corporation's sale agreement to sell the shares of its 75.0 per cent owned subsidiary, the Insurance Company of Prince Edward Island (ICPEI) on June 30, 2014.

This was partially offset by a $95.4 million increase in adjustments to reconcile net earnings to cash from operating activities (see details in Note 10 to the unaudited condensed consolidated interim financial statements)

Operating, Investing and Financing Activities (continued)

Net cash used in investing activities for the three months ended March 31, 2015 was $315.2 million (2014 - $566.6 million). The $251.4 million decrease in cash outflows is primarily related to:

- A $189.8 million increase in cash from an $258.9 million decrease in purchase of investments partially offset by a $69.1 million decrease in proceeds from sale and collection of investments primarily related to CIC Separte and SGI. The changes year-over-year in CIC Separate are mostly the result of reclassifications of cash between cash and cash equivalents and short-term investments. Short-term money market investments are classifed as cash and cash equivalents if the maturity of the investment is 90 days or less and classified as short-term investments if the maturity date is 91 days or more. SGI changes are related to turning over its investment portfolio to change its asset mix during the period;
- A $34.6 million decrease in capital expenditures mostly related to SaskPower; and
- A $26.3 million cash inflow as a result of the change year-over-year in restricted cash from a $21.7 million decrease in 2015 compared to an increase of $4.6 million for the same period in 2014.

Net cash from financing activities for the three months ended March 31, 2015 was $213.8 million (2014 - $209.2 million). The increased cash inflow of $4.6 million was due to:

- A $421.3 million change in the decrease of notes payable as the Corporation paid off $49.3 million in notes payable in 2015 compared to $470.6 million in the same period in 2014.

This was partially offset by:

- A $385.6 million decrease in debt proceeds compared to the same period in 2014; and
- A $31.1 million increase in cash outflows from debt repaid and other financing activities.

Debt Management

CIC and its subsidiary Crowns prudently manage debt to maintain and enhance financial flexibility. The CIC Board has approved debt targets for CIC and its commercial subsidiaries that take into account their individual circumstances and industry benchmarks.

Outlook

The Corporation's outlook related to net earnings is highly dependent upon the performance and management of the subsidiary corporations. Earnings expectations are also subject to many variables including: weather conditions, commodity markets, general economic and political conditions, interest and exchange rates, performance and competition, and the regulatory environment.

The Corporation projects continued strong operating performance. Net earnings are largely driven by utility Crowns that have relatively stable operating environments, stable or growing customer demand, and rates that are set in accordance with commercial principles. The Corporation anticipates significant ongoing challenges including maintaining and expanding utility infrastructure at SaskPower and SaskEnergy, as well as keeping pace with industry technological change at SaskTel. Significant capital expenditures in these companies are expected in the medium term.

In addition, continued volatility in financial markets may further affect valuation of pension liabilities, portfolio investments, and natural gas price management instruments.

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Interim Statement of Financial Position
As at
(thousands of dollars)
(unaudited)

	Note	March 31 2015	December 31 2014
ASSETS			
Current			
Cash and cash equivalents		**$ 415,414**	$ 391,604
Short-term investments		**253,441**	192,575
Accounts receivable		**855,509**	818,276
Restricted cash and cash equivalents		**92,632**	114,342
Derivative financial assets		**19,363**	27,497
Inventories		**324,119**	374,527
Prepaid expenses		**165,280**	136,538
Assets held-for-sale	6	**6,090**	6,090
		2,131,848	2,061,449
Restricted cash and cash equivalents		**4,748**	4,766
Long-term investments		**1,502,088**	1,467,137
Investments in equity accounted investees		**141,753**	142,036
Property, plant and equipment		**12,455,489**	12,295,498
Investment property		**165,208**	166,401
Intangible assets		**387,444**	391,666
Other assets		**12,739**	13,333
		$ 16,801,317	$ 16,542,286
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Bank indebtedness		**$ 16,570**	$ 15,363
Trade and other payables		**773,569**	917,277
Derivative financial liabilities		**223,613**	202,692
Notes payable to General Revenue Fund		**1,304,068**	1,353,369
Deferred revenue		**519,630**	540,415
Provisions		**213,279**	218,870
Current portion of finance lease obligations		**9,085**	8,555
Long-term debt due within one year		**79,429**	65,523
		3,139,243	3,322,064
Provisions		**586,895**	571,804
Finance lease obligations		**1,133,881**	1,136,632
Long-term debt		**6,593,300**	6,297,225
Employee future benefits		**447,359**	422,592
Other liabilities		**189,649**	182,330
		12,090,327	11,932,647
Province of Saskatchewan's Equity			
Equity advances		**908,889**	908,889
Contributed surplus		**85**	85
Retained earnings		**3,927,818**	3,759,399
Accumulated other comprehensive loss	8	**(125,802)**	(58,734)
		4,710,990	4,609,639
		$ 16,801,317	$ 16,542,286
Commitments and contingencies	9		

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Interim Statement of Comprehensive Income
For the Period
(thousands of dollars)
(unaudited)

	Note	2015 January 1 to March 31	2014 January 1 to March 31
INCOME FROM OPERATIONS			
Revenue		$ 1,339,496	$ 1,384,124
Other income		509	863
		1,340,005	1,384,987
EXPENSES			
Operating		650,633	655,292
Salaries, wages and short-term employee benefits		233,836	229,343
Employee future benefits		10,473	10,124
Depreciation and amortization		185,681	169,970
Loss on disposal of property, plant and equipment		2,013	2,206
Impairment losses		3,452	-
Research and development		69	73
Saskatchewan taxes and fees		36,936	31,982
		1,123,093	1,098,990
RESULTS FROM OPERATING ACTIVITIES		216,912	285,997
Finance income		75,530	48,084
Finance expenses		(125,098)	(108,792)
NET FINANCE EXPENSES		(49,568)	(60,708)
EARNINGS FROM OPERATIONS		167,344	225,289
Share of net earnings from equity accounted investees		1,075	1,964
EARNINGS FROM CONTINUING OPERATIONS		168,419	227,253
Net earnings from discontinued operations	6	-	421
Net earnings on sale of equity accounted investees		-	640
NET EARNINGS		168,419	228,314
OTHER COMPREHENSIVE LOSS			
Defined benefit plan actuarial losses		(25,341)	(46,049)
Share of changes in comprehensive income recognized by associates		-	1
Unrealized (losses) gains on cash flow hedges		(13,123)	400
Realized losses on cash flow hedges		(28,445)	-
Amounts amortized to net earnings and included in net finance expenses		(159)	(385)
OTHER COMPREHENSIVE LOSS		(67,068)	(46,033)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		$ 101,351	$ 182,281

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Interim Statement of Changes in Equity
For the Period
(thousands of dollars)
(unaudited)

	Attributable to the Province of Saskatchewan				
	Equity Advances	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss) (Note 8)	Total Equity (Restated Note 3)
Balance at January 1, 2014	$ 908,889	$ 125	$ 3,802,660	$ 104,051	$ 4,815,725
Total comprehensive income	-	-	228,314	(46,033)	182,281
Dividends to General Revenue Fund (GRF)	-	-	-	-	-
Other	-	(40)	-	-	(40)
Balance at March 31, 2014	$ 908,889	$ 85	$ 4,030,974	$ 58,018	$ 4,997,966
Balance at April 1, 2014	$ 908,889	$ 85	$ 4,030,974	$ 58,018	$ 4,997,966
Total comprehensive loss	-	-	(65,575)	(116,752)	(182,327)
Dividends to GRF	-	-	(206,000)	-	(206,000)
Balance at December 31, 2014	$ 908,889	$ 85	$ 3,759,399	$ (58,734)	$ 4,609,639
Balance at January 1, 2015	**$ 908,889**	**$ 85**	**$ 3,759,399**	**$ (58,734)**	**$ 4,609,639**
Total comprehensive income (loss)	**-**	**-**	**168,419**	**(67,068)**	**101,351**
Dividends to GRF	**-**	**-**	**-**	**-**	**-**
Balance at March 31, 2015	**$ 908,889**	**$ 85**	**$ 3,927,818**	**$ (125,802)**	**$ 4,710,990**

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Interim Statement of Cash Flows
For the Period
(thousands of dollars)
(unaudited)

	Note	2015 January 1 to March 31	2014 January 1 to March 31
OPERATING ACTIVITIES			
Net earnings		**$ 168,419**	$ 228,314
Adjustments to reconcile net earnings to cash from operating activities	10	**255,781**	160,372
		424,200	388,686
Net change in non-cash working capital balances related to operations		**(169,100)**	(72,450)
Interest paid		**(131,112)**	(128,606)
Cash provided by operating activities from continuing operations		**123,988**	187,630
Cash provided by operating activities from discontinued operations	6	**-**	1,553
Net cash from operating activities		**123,988**	189,183
INVESTING ACTIVITIES			
Interest received		**7,268**	6,247
Dividends received		**586**	2,642
Purchase of investments		**(226,879)**	(485,842)
Proceeds from sale and collection of investments		**209,571**	278,728
Purchase of property, plant and equipment		**(316,432)**	(342,295)
Costs related to the sale of property, plant and equipment		**(527)**	(1,150)
Purchase of intangible assets		**(10,904)**	(19,583)
Purchase of investment property		**(783)**	(840)
Decrease (increase) in restricted cash and cash equivalents		**21,728**	(4,559)
Decrease in other assets		**1,221**	62
Net cash used in investing activities		**(315,151)**	(566,590)
FINANCING ACTIVITIES			
Decrease in notes payable		**(49,301)**	(470,565)
(Decrease) increase in other liabilities		**(25,307)**	3,201
Debt proceeds from GRF		**310,352**	688,971
Debt proceeds from other lenders		**515**	7,517
Debt repayments to other lenders		**(3,951)**	(3,401)
Sinking fund instalments		**(18,542)**	(16,544)
Net cash from financing activities		**213,766**	209,179
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD		**22,603**	(168,228)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**376,241**	398,121
CASH AND CASH EQUIVALENTS, END OF PERIOD		**$ 398,844**	$ 229,893
Cash and cash equivalents consist of:			
Cash and cash equivalents from continuing operations		**$ 415,414**	$ 237,547
Bank indebtedness from continuing operations		**(16,570)**	(9,925)
		398,844	227,622
Cash from discontinued operations		**-**	2,271
		$ 398,844	$ 229,893

(See accompanying notes)

1. General information

Crown Investments Corporation of Saskatchewan (CIC) is a corporation domiciled in Canada. The address of CIC's registered office and principal place of business is 400 - 2400 College Avenue, Regina, SK, S4P 1C8. The condensed consolidated interim financial statements of CIC comprise CIC and its subsidiaries (collectively referred to as "CIC" or "the Corporation") and CIC's interest in associates, joint ventures and joint operations with principal activities as described in Note 4 (a).

The results included in these condensed consolidated interim financial statements should not be taken as indicative of the performance to be expected for a full year due to the seasonal nature of corporate operations.

2. Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 - *Interim Financial Reporting*. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and accordingly should be read in conjunction with the December 31, 2014 audited consolidated financial statements.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 27, 2015.

b) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is CIC's functional currency.

3. Changes in accounting policy and adoption of other standards

a) New standards and amendments

The following amendments to standards, effective for annual periods beginning on or after January 1, 2015, have been applied in preparing these interim condensed consolidated financial statements:

- IFRS 3, *Business combinations*
- IFRS 13, *Fair value measurement*
- IAS 16, *Property, plant and equipment*
- IAS 19, *Employee benefits*
- IAS 24, *Related party disclosures*
- IAS 38, *Intangible assets*

The adoption of these amended standards had no material impact on the interim condensed consolidated financial statements.

4. Significant accounting policies

The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those disclosed in CIC's December 31, 2014 audited consolidated financial statements, except as described in Note 3.

The accounting policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements and have been consistently applied by CIC's subsidiaries.

a) Basis of consolidation

Subsidiaries

Saskatchewan provincial Crown corporations are either designated as subsidiary Crown corporations of CIC or created as CIC Crown corporations under *The Crown Corporations Act, 1993* (the Act). The Act assigns specific financial and other responsibilities regarding these corporations to CIC.

In addition to the Crown corporations listed below, the Corporation also consolidates the accounts of Gradworks Inc., a wholly-owned non-profit subsidiary, and the following wholly-owned share capital subsidiaries: CIC Asset Management Inc.; First Nations and Métis Fund Inc.; CIC Economic Holdco Ltd.; and Saskatchewan Immigrant Investor Fund Inc. (SIIF), all of which are domiciled in Canada.

4. Significant accounting policies (continued)

a) Basis of consolidation (continued)

Subsidiaries (continued)

Unaudited condensed separate interim financial statements for CIC have been prepared to show the financial position and results of operations of the corporate entity. In addition, condensed interim financial statements for each of the undernoted Crown corporations, which are consolidated in these financial statements, are prepared and released publicly:

Wholly-owned subsidiaries domiciled in Canada	**Principal activity**
Saskatchewan Power Corporation (SaskPower)	Electricity
Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Telecommunications
SaskEnergy Incorporated (SaskEnergy)	Natural gas storage and delivery
Saskatchewan Water Corporation (SaskWater)	Water and wastewater management
Saskatchewan Government Insurance (SGI)	Property and casualty insurance
Saskatchewan Gaming Corporation (SGC)	Entertainment
Saskatchewan Opportunities Corporation (SOCO)	Research parks
Saskatchewan Transportation Company (STC)	Passenger and freight transportation

Associates and joint ventures (investments in equity accounted investees)

Associates are those entities in which CIC has significant influence, but not control, over strategic financial and operating decisions. Significant influence is presumed to exist when CIC holds between 20.0 and 50.0 per cent of the voting power of another entity.

Joint ventures are those entities over whose activities CIC has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions; and provide CIC with rights to the net assets of the arrangement.

Associates and joint ventures are accounted for using the equity method and are recognized initially at cost. CIC's investment includes any goodwill identified at acquisition, net of accumulated impairment losses. The condensed consolidated interim financial statements include CIC's share of the total comprehensive income and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of CIC, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When CIC's share of losses exceeds its interest in equity accounted investees, the carrying amount of that interest is reduced and the recognition of further losses is discontinued except to the extent that CIC has an obligation or has made payments on behalf of the investee.

Joint operations

Joint operations are those entities over whose activities CIC has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions; and provide CIC with rights to the assets and obligations for the liabilities, related to the arrangement. CIC has classified its 50.0 per cent interest in the Kisbey Gas Gathering and Processing Facility, the Totnes Natural Gas Storage Facility and the Cory Cogeneration Station as joint operations.

The condensed consolidated interim financial statements include CIC's proportionate share of joint operation assets, incurred liabilities, income and expenses.

4. Significant accounting policies (continued)

a) Basis of consolidation (continued)

Special purpose entities

CIC has established certain special purpose entities (SPEs) for trading and investment purposes. CIC does not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with CIC and the SPE's risks and rewards, CIC concludes that it controls the SPE. SPEs controlled by CIC were established under terms that impose strict limitations on the decision-making powers of the SPE's management and that result in CIC receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to risks incident to the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE or its assets.

CIC has two SPEs, Meadow Lake Pulp Limited Partnership and 212822 Saskatchewan Ltd. These SPEs are not material to CIC's consolidated results.

Transactions eliminated on consolidation

Inter-group balances and transactions, and any unrealized income and expenses arising from inter-group transactions, are eliminated in preparing the condensed consolidated interim financial statements. Unrealized gains arising from transactions with investments in equity accounted investees are eliminated against the investment to the extent of CIC's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b) New standards not yet adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2015, and have not been applied in preparing these condensed consolidated interim financial statements.

IFRS 4, *Insurance Contracts*

In June 2013, the IASB published a revised exposure draft (2013 ED) on the accounting for insurance contracts which was built on the previous consultations undertaken in 2007 and 2010. The 2013 ED is the result of deliberations at the IASB using comments received from constituents. The 2013 ED continues to propose a new standard on accounting for insurance contracts, which would replace IFRS 4, *Insurance Contracts*. The proposals represent a comprehensive IFRS accounting model for insurance contracts and are expected to have a significant impact on the financial reporting of insurers. A final standard is expected in 2015 with implementation not expected before 2018. The Corporation is evaluating the impact this amendment will have on the condensed consolidated interim financial statements.

IFRS 9, *Financial Instruments*

IFRS 9 was issued by the IASB on November 12, 2009 and will replace IAS 39, *Financial Instruments: Recognition and Measurement*. The standards are to be applied prospectively.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. Under IFRS 9, financial assets will generally be measured initially at fair value plus particular transaction costs, and subsequently at either amortized cost or fair value. In October 2010, the IASB issued additions to IFRS 9 relating to accounting for financial liabilities. Under the new requirements, an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's credit risk in other comprehensive income, rather than within net earnings. This standard is effective for annual periods beginning on or after January 1, 2018. The Corporation does not intend to early adopt this standard but is reviewing it to determine the potential impact, if any, on the condensed consolidated interim financial statements.

4. Significant accounting policies (continued)

b) New standards not yet adopted (continued)

IFRS 15, Revenue from Contracts with Customers

On May 28, 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*. The new standard establishes principles to record revenues from contracts for the sale of goods or services, unless the contracts are in the scope of other IFRS standards. Under IFRS 15, revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying the following five steps:

1. Identify the contract with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The new standard also provides guidance relating to contract costs and for the measurement and recognition of gains and losses on the sale of certain nonfinancial assets such as property and equipment. Additional disclosures will also be required under the new standard. IFRS 15 must be adopted for annual periods beginning on or after January 1, 2017 using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. In April 2015, the IASB voted to publish an Exposure Draft proposing a one year deferral of the effective date of IFRS 15 to January 1, 2018. The IASB plans to publish the Exposure Draft in May 2015.

IFRS 15 will affect how the Corporation accounts for revenues and contract costs for certain operations and segments. The Corporation is in the process of assessing the impact of the adoption of the standard on the condensed consolidated interim financial statements.

Annual Improvements Cycles

The IASB issued an exposure draft in December 2013 for the annual improvement cycle for 2012-2014. These amendments are effective for annual periods beginning, on or after January 1, 2016. The Corporation does not expect these amendments to significantly impact the condensed consolidated interim financial statements.

5. Status of CIC

CIC was established by Order in Council 535/47 dated April 2, 1947, and is continued under the provisions of *The Crown Corporations Act, 1993*. CIC is an agent of Her Majesty in Right of the Province of Saskatchewan and as a provincial Crown corporation is not subject to federal and provincial income taxes. Certain associates, joint ventures, joint operations and subsidiaries are not provincial Crown corporations and are subject to federal and provincial income taxes.

6. Discontinued operations and assets held-for-sale

At the end of 2014, the Corporation committed to a plan to sell a building located in Prince Albert within the next 12 month period. Accordingly, this asset has been classified as assets held-for-sale. This asset is measured at carrying value, which is less than fair value less cost to sell, and is no longer depreciated.

In March 2014, the Corporation announced that it had entered into an agreement to sell the shares of its 75 per cent owned subsidiary, the Insurance Company of Prince Edward Island (ICPEI), to a third party for a purchase price equal to ICPEI's book value as at the transaction closing date of June 30, 2014. The ICPEI operations represented a separate line of business for the Corporation in the Maritimes. Following receipt of regulatory approval, the sale closed on June 30, 2014 for total proceeds of $8.7 million representing the book value as at June 30, 2014, resulting in no gain or loss on the sale.

As part of the sale agreement, 54 months after the closing date, the purchaser shall deliver to the Corporation a report of the ultimate losses prior to June 30, 2014, certified by the purchaser's appointed actuary. If the amount of the final closing date ultimate loss is greater than the initial closing date ultimate loss, a deficiency, the Corporation shall pay to the purchaser an amount equal to the lesser of $1,500,000 or 75 per cent of the deficiency. Conversely, if the amount of the final closing date ultimate loss is less than the initial closing date ultimate loss, a surplus, the purchaser shall pay to the Corporation an amount equal to the lesser of $1,500,000 or 75 per cent of the surplus. As at December 31, 2014, a surplus of $244,000 was estimated, which has not been recorded in the condensed consolidated financial statements.

6. Discontinued operations and assets held-for-sale (continued)

The ICPEI operatio..s represented a separate segment of business for the Corporation. As a result of the sale, these operations have been treated as discontinued operations.

Assets classified as held-for-sale are comprised of the following:

	March 31 2015	December 31 2014
Property, plant and equipment	**$ 11**	$ 11
Investment property	**6,079**	6,079
	$ 6,090	$ 6,090

The impact of discontinued operations on net earnings and cash flows was comprised of the following:

	2015	2014
	January 1 to March 31	January 1 to March 31
Revenue	**$ -**	$ 5,908
Operating expenses	**-**	5,829
Salaries, wages and short-term employee benefits	**-**	185
Depreciation and amortization	**-**	2
Expenses	**-**	6,016
Results from operating activities	**-**	(108)
Finance income	**-**	538
Finance expense	**-**	(9)
Net finance expense	**-**	529
Net earnings from discontinued operations	**$ -**	$ 421
Cash provided by operating activities	**-**	436
Cash provided by investing activities	**-**	1,155
Cash used in financing activities	**-**	(38)
Net change in cash and cash equivalents	**$ -**	$ 1,553

7. Equity advances and capital disclosures

CIC does not have share capital. However, CIC has received advances from the GRF to form its equity capitalization. The advances are an equity investment in CIC by the GRF.

Due to its ownership structure, CIC has no access to capital markets for equity. Equity advances in CIC are determined by the shareholder on an annual basis. Dividends to the GRF are determined through the Saskatchewan provincial budget process on an annual basis.

CIC closely monitors its debt level utilizing the debt ratio as a primary indicator of financial health. The debt ratio measures the amount of debt in CIC's capital structure. CIC uses this measure in assessing the extent of financial leverage and in turn, its financial flexibility.

Too high a ratio relative to target indicates an excessive debt burden that may impair CIC's ability to withstand downturns in revenues and still meet fixed payment obligations. The ratio is calculated as net debt divided by capitalization at the end of the period.

CIC reviews the debt ratio targets of all its subsidiary Crown corporations on an annual basis to ensure consistency with industry standards. This review includes subsidiary Crown corporations' plans for capital spending. The target debt ratios for subsidiary Crown corporations are approved by the CIC Board. CIC uses targeted debt ratios to compile a weighted average debt ratio for the CIC Crown sector. The target ratio for 2015 is 61.6 per cent.

CIC raises most of its capital requirements through internal operating activities and long-term debt through the GRF. This type of borrowing allows CIC to take advantage of the Province of Saskatchewan's strong credit rating and receive financing at attractive interest rates.

CIC made no changes to its approach to capital management during the period.

The debt ratio is as follows:

	March 31 2015	December 31 2014
Total debt (a)	**$ 7,976,797**	$ 7,716,117
Less: Sinking funds	**(731,767)**	(681,096)
Net debt	**7,245,030**	7,035,021
Equity (b)	**4,836,792**	4,668,373
Capitalization	**$ 12,081,822**	$ 11,703,394
Debt ratio	**60.0%**	60.1%

a) Total debt includes long-term debt, long-term debt due within one year and notes payable.
b) Equity includes equity advances, contributed surplus and retained earnings.

8. Accumulated other comprehensive loss

	March 31 2015	December 31 2014
Items that may be reclassified to net earnings:		
Foreign currency translation adjustments	**$ 1**	$ 1
Unrealized losses on cash flow hedges	**(31,491)**	(18,368)
Realized gains on cash flow hedges	**4,472**	33,076
	(27,018)	14,709
Items that will not be reclassified to net earnings:		
Defined benefit plan actuarial losses	**(98,784)**	(73,443)
	$ (125,802)	$ (58,734)

9. Commitments and contingencies

CIC has various legal matters pending which, in the opinion of management, will not have a material effect on CIC's consolidated financial position or results of operations. Should the ultimate resolution of actions differ from management's assessments and assumptions, a material adjustment to CIC's financial position or results of operations could result.

10. Condensed consolidated interim statement of cash flows

	Note	2015 January 1 to March 31	2014 January 1 to March 31
Adjustments to reconcile net earnings to cash provided from operating activities			
Depreciation and amortization		**$ 185,681**	$ 169,970
Share of earnings from investments in equity accounted investees		**(1,075)**	(1,964)
Net earnings from discontinued operations	6	**-**	(421)
Net gain from sale of investments in equity accounted investees		**-**	(640)
Defined benefit pension plan expense		**627**	390
Unrealized losses (gains) on derivative financial instruments		**15,946**	(60,036)
Inventory expense (recovery)		**168**	(10,255)
Loss on disposal of property, plant and equipment		**2,013**	2,206
Impairment loss		**3,452**	-
Net finance expenses		**49,568**	60,708
Other non-cash items		**(599)**	414
		$ 255,781	$ 160,372

12. Fair value of financial instruments

Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of inputs used in the valuation.

Level 1 - Quoted prices are readily available from an active market.
Level 2 - Inputs, other than quoted prices included in level 1 that are observable either directly or indirectly.
Level 3 - Inputs are not based on observable market data.

CIC's financial instruments are categorized within this hierarchy as follows:

	March 31 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	**$ 415,414**	**$ -**	**$ -**	**$ 415,414**
Restricted cash and cash equivalents	**97,380**	**-**	**-**	**97,380**
Bank indebtedness	**16,570**	**-**	**-**	**16,570**
Notes payable	**1,304,068**	**-**	**-**	**1,304,068**
Investments carried at fair value through profit or loss	**333,022**	**1,146,800**	**110,231**	**1,590,053**
Loans and receivables - Immigrant Investor Program	**-**	**110,886**	**-**	**110,886**
Finance lease obligations	**-**	**1,311,587**	**-**	**1,311,587**
Long-term debt	**-**	**8,566,988**	**-**	**8,566,988**
Physical natural gas contracts - net	**-**	**(59,090)**	**-**	**(59,090)**
Natural gas price swaps - net	**-**	**(112,219)**	**-**	**(112,219)**
Physical electricity forwards - net	**-**	**(1,423)**	**-**	**(1,423)**
Electricity contracts for differences - net	**-**	**6**	**-**	**6**
Commodity forward contracts - net	**-**	**(31,524)**	**-**	**(31,524)**

13. Comparative figures

Certain of the 2014 comparative figures have been reclassified to conform to the current period's presentation.

Separate Financial Statements

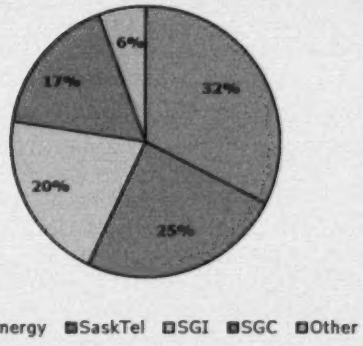
Management's Discussion and Analysis

CIC is the Provincial Government's holding company for its commercial Crowns. CIC has invested equity in its subsidiary Crown corporations and collects dividends from these corporations based on their profitability and financial condition.

This narrative on CIC's separate March 31, 2015 first quarter results should be read in conjunction with the December 31, 2014 audited separate financial statements.

For the purposes of this narrative on CIC's separate financial results, "CIC" refers to the holding company.

Dividend Revenue



Financial Results

CIC Separate First Quarter Earnings (thousands of dollars) (unaudited)	For the three months ended March 31 2015	March 31 2014
Dividend revenue	**$ 30,655**	$ 32,039
Add: Finance and other revenue	**729**	825
Less: Operating, salaries and other expenses	**(2,277)**	(3,076)
Grants to subsidiary corporations	**(2,579)**	(4,361)
Total Separate Earnings	**$ 26,528**	$ 25,427

Net Earnings

Net earnings for the first three months of 2015 were $26.5 million (2014 - $25.4 million), an increase of $1.1 million from the same period in 2014. The increase in earnings is primarily due to a decrease in grants to subsidiary corporations of $1.8 million and a decrease in operating, salaries and other expenses of $0.8 million offset by a decrease in dividend revenue of $1.4 million.

Dividend Revenue

Dividend revenue for the three months ended March 31, 2015 was $30.6 million (2014 - $32.0 million). The $1.4 million decrease is due to decreased dividends from SaskTel ($5.8 million) and SOCO ($0.3 million) partially offset by increased dividends from SaskEnergy ($3.8 million), SGI ($0.5 million), SaskWater ($0.3 million) and SGC ($0.1 million).

For the first three months of each year, dividends from subsidiary Crown corporations are based on 25 per cent of forecasted dividends for the year. The forecasted dividend is calculated under CIC's dividend policy which applies a percentage payout of net earnings based on the overall financial health of the subsidiary Crown and its need for capital investment. These dividend targets are subject to change during the year if there is a significant change in circumstances. For the current year, the dividend at SaskTel is based on 39 per cent of net earnings, SaskWater is based on 25 per cent of net earnings, SGC is based on 80 per cent of net earnings, SGI is based on 68 per cent of net earnings, SOCO is based on 20 per cent of net earnings and SaskEnergy is based on 55 per cent of net earnings.

Operating, Salaries and Other Expenses

Operating, salaries and other expenses were $2.3 million for the three months ended March 31, 2015 (2014 - $3.1 million). These expenses decreased by $0.8 million, primarily due to lower consulting and travel costs.

Grants to Subsidiary Corporations

During the first three months of 2015, CIC provided $2.6 million (2014 - $4.3 million) in grants to subsidiary corporations. STC received $2.5 million (2014 - $3.1 million) in grants to support ongoing operations. Gradworks Inc. received $0.1 million (2014 - $0.1 million) to fund its internship program. CIC completed the funding to SaskEnergy for the EnerGuide for Houses program in 2014. The funding for 2014 was $1.1 million.

CIC projects public policy and grant funding expenditures to be as follows: $13.4 million to support ongoing operations at STC and $0.3 million of operating grants to Gradworks.

Liquidity and Capital Resources

Cash Flow Highlights (millions of dollars) (unaudited)	For the three months ended March 31 2015	 March 31 2014
Net cash from operating activities	$ 15.5	$ 45.2
Net cash used in investing activities	(4.0)	(187.2)
Net cash used in financing activities	-	-
Net change in cash	$ 11.5	$ (142.0)

Liquidity

CIC finances its capital requirements through internally-generated cash flow and through borrowing from the GRF. The GRF borrows on CIC's behalf in capital markets.

Operating, Investing and Financing Activities

Net cash from operating activities for the three months ended March 31, 2015 was $15.5 million (2014 - $45.2 million). The $29.7 million decrease is due mainly to a decrease in net change in non-cash working capital balances related to operations of $30.8 million as a result of lower dividends collected in 2015 as compared to the same period in 2014.

Net cash used in investing activities for the three months ended March 31, 2015 was $4.0 million (2014 - $187.2 million). The decrease in cash inflows is mainly due to reclassifications of cash between cash and cash equivalents and short-term investments. Short-term money market investments are classified as cash and cash equivalents if the maturity of the investment is 90 days or less and classified as short-term investments if the maturity date is 91 days or more.

Net cash used in financing activities for the three months ended March 31, 2015 was Nil (2014 - Nil).

Debt Management

CIC as a legal entity has no debt. Currently, CIC does not expect to borrow in 2015.

Outlook and Key Factors Affecting Performance

The key factor affecting CIC's earnings is the level of net earnings and, in turn, dividends from commercial subsidiary Crown corporations. The CIC Board determines dividends from a commercial subsidiary after allocating cash for reinvestment within the Crown to sustain operations, to grow and to diversify, and for debt reduction if necessary.

CIC regularly assesses the appropriateness of the carrying value for its investments, and writes down an investment if it judges there to be a permanent impairment in carrying value. CIC regularly reviews its investments with private sector partners to determine the appropriateness of retention or sale.

Crown Investments Corporation of Saskatchewan
Condensed Separate Statement of Financial Position
As at
(thousands of dollars)
(unaudited)

	Note	March 31 2015	December 31 2014
ASSETS			
Current			
Cash and cash equivalents		**$ 317,993**	$ 306,466
Short-term investments		**5,001**	-
Interest and accounts receivable		**261**	824
Dividends receivable		**29,570**	19,309
		352,825	326,599
Equity advances to Crown corporations	5	**1,188,918**	1,188,918
Investments in share capital corporations		**10,691**	10,964
Equipment		**203**	224
		$ 1,552,637	$ 1,526,705
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Interest and accounts payable		**$ 2,090**	$ 2,686
Province of Saskatchewan's Equity			
Equity advances		**908,889**	908,889
Retained earnings		**641,658**	615,130
		1,550,547	1,524,019
		$ 1,552,637	$ 1,526,705

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Separate Statement of Comprehensive Income
For the Period
(thousands of dollars)
(unaudited)

	Note	2015 January 1 to March 31	2014 January 1 to March 31
INCOME FROM OPERATIONS			
Dividend	6	**$ 30,655**	$ 32,039
Other income		**-**	4
		30,655	32,043
EXPENSES			
Operating		**839**	1,548
Salaries and short term employee benefits		**1,311**	1,378
Future employee benefit expense		**104**	123
Depreciation and amortization		**21**	24
		2,275	3,073
EARNINGS FROM OPERATIONS		**28,380**	28,970
Finance income		**729**	821
Finance expenses		**(2)**	(3)
NET FINANCE INCOME		**727**	818
EARNINGS BEFORE PUBLIC POLICY INITIATIVES		**29,107**	29,788
Grants to subsidiary corporations	7	**(2,579)**	(4,361)
NET EARNINGS		**26,528**	25,427
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		**$ 26,528**	$ 25,427

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Separate Statement of Changes in Equity
For the period
(thousands of dollars)
(unaudited)

	2015 January 1 to March 31	2014 January 1 to March 31
RETAINED EARNINGS		
Retained earnings - beginning of period	**$ 615,130**	$ 671,399
Total comprehensive income	**26,528**	25,427
Dividend to the General Revenue Fund	**-**	-
Retained earnings - end of period	**641,658**	696,826
EQUITY ADVANCE		
Equity advances - beginning of period	**908,889**	908,889
Equity advances received	**-**	-
Equity advances repaid	**-**	-
Equity advances - end of period	**908,889**	908,889
EQUITY ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN	**$ 1,550,547**	$ 1,605,715

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Separate Statement of Cash Flows
For the Period
(thousands of dollars)
(unaudited)

	Note	2015 January 1 to March 31	2014 January 1 to March 31
OPERATING ACTIVITIES			
Net earnings		**$ 26,528**	$ 25,427
Items not affecting cash from operations			
Gain on sale of ISC shares			
Depreciation and amortization		**21**	24
Net finance income		**(727)**	(818)
		25,822	24,633
Net change in non-cash working capital balances related to operations	8	**(10,294)**	20,517
Interest paid		**(2)**	(3)
Net cash from operating activities		**15,526**	45,147
INVESTING ACTIVITIES			
Interest received		**729**	821
Increase in short-term investments		**(5,001)**	(188,001)
Repayment of due from CIC Economic Equity Holdco Ltd.		**273**	-
Purchase of equipment		**-**	(2)
Net cash used in investing activities		**(3,999)**	(187,182)
FINANCING ACTIVITIES			
Repayment of equity advances		**-**	-
Dividend paid to General Revenue Fund		**-**	-
Net cash used in financing activities		**-**	-
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD		**11,527**	(142,035)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**306,466**	258,356
CASH AND CASH EQUIVALENTS, END OF PERIOD		**$ 317,993**	$ 116,321

(See accompanying notes)

1. General information

Crown Investments Corporation of Saskatchewan (CIC) is a corporation domiciled in Canada. The address of CIC's registered office and principal place of business is 400 - 2400 College Avenue, Regina, SK, S4P 1C8. CIC was established to act as a holding corporation for the Province's commercial Crown sector. CIC develops broad corporate policy, directs investments for its subsidiaries and provides dividends to the Province's General Revenue Fund (GRF). A list of CIC's subsidiaries is contained in Note 3.

2. Basis of preparation

a) Statement of compliance

The condensed separate interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 - *Interim Financial Reporting*. The policies set out have been consistently applied to all the periods presented unless otherwise noted. CIC's condensed separate interim financial statements are prepared at the request of the Legislative Assembly of Saskatchewan. The condensed separate interim financial statements do not include all of the information required for full annual financial statements, and accordingly should be read in conjunction with the December 31, 2014 audited separate financial statements.

The condensed separate interim financial statements were authorized for issue by the CIC Board of Directors on May 27, 2015.

b) Functional and presentation currency

These condensed separate interim financial statements are presented in Canadian dollars, which is CIC's functional currency.

3. Status of Crown Investments Corporation of Saskatchewan

CIC was established by Order in Council 535/47 dated April 2, 1947, and is continued under the provision of *The Crown Corporations Act, 1993* (the Act). CIC is an agent of Her Majesty in Right of the Province of Saskatchewan and as a provincial Crown corporation is not subject to federal and provincial income taxes. Certain jointly controlled enterprises and subsidiaries are not provincial Crown corporations and are subject to federal and provincial income taxes.

The Act assigns specific financial and other responsibilities to CIC regarding Crown corporations designated or created as subsidiary Crown corporations of CIC under the Act. The following wholly-owned Crown corporations have been designated or created by Order in Council:

Saskatchewan Power Corporation
SaskEnergy Incorporated
Saskatchewan Water Corporation
Saskatchewan Government Insurance
Saskatchewan Opportunities Corporation
Saskatchewan Telecommunications
Saskatchewan Telecommunications Holding Corporation
Saskatchewan Gaming Corporation
Saskatchewan Transportation Company

In addition to the above Crown corporations, CIC is the sole member of Gradworks Inc., a non-profit corporation and the sole shareholder of CIC Asset Management Inc. (CIC AMI), First Nations and Métis Fund Inc. (FNMF), Saskatchewan Immigrant Investor Fund Inc. (SIIF), and CIC Economic Holdco Ltd., which are wholly-owned share capital subsidiaries.

All subsidiary Corporations are domiciled in Canada.

4. Summary of significant accounting policies

The accounting policies and methods of computation used in the preparation of these condensed separate interim financial statements are consistent with those disclosed in CIC's December 31, 2014 audited separate financial statements.

CIC's condensed separate interim financial statements do not consolidate the activities of its subsidiaries. Other than this exception, the accounting policies have been consistently applied by CIC's subsidiary corporations.

CIC prepares condensed consolidated interim financial statements. The unaudited condensed consolidated interim financial statements have been authorized by the CIC Board of Directors on May 27, 2015. CIC's condensed consolidated interim financial statements should be referenced for further information.

5. Equity advances to Crown corporations

Equity advances to Crown corporations are as follows:
(thousands of dollars)

	March 31 2015	December 31 2014
Saskatchewan Power Corporation	**$ 660,000**	$ 660,000
Saskatchewan Telecommunications Holding Corporation	**250,000**	250,000
Saskatchewan Opportunities Corporation	**118,687**	118,687
Saskatchewan Government Insurance	**80,000**	80,000
SaskEnergy Incorporated	**71,531**	71,531
Saskatchewan Water Corporation	**8,700**	8,700
	$ 1,188,918	$ 1,188,918

6. Dividend revenue

Dividend revenue consists of the following:
(thousands of dollars)

	2015 January 1 to March 31	2014 January 1 to March 31
SaskEnergy Incorporated	**$ 9,973**	$ 6,215
Saskatchewan Telecommunications Holding Corporation	**7,500**	13,323
Saskatchewan Government Insurance	**6,250**	5,750
Saskatchewan Gaming Corporation	**5,189**	5,040
Information Services Corporation	**1,085**	1,085
Saskatchewan Opportunities Corporation	**361**	626
Saskatchewan Water Corporation	**297**	-
	$ 30,655	$ 32,039

7. Grants to subsidiary corporations
(thousands of dollars)

	2015 January 1 to March 31	2014 January 1 to March 31
Saskatchewan Transportation Company	$ 2,500	$ 3,100
Gradworks Inc.	79	115
SaskEnergy Incorporated	-	1,146
	$ 2,579	$ 4,361

8. Net change in non-cash working capital balances related to operations
(thousands of dollars)

	2015 January 1 to March 31	2014 January 1 to March 31
Decrease in interest and accounts receivable	$ 563	$ 442
(Increase) decrease in dividends receivable	(10,261)	20,896
Decrease in interest and accounts payable	(596)	(821)
	$ (10,294)	$ 20,517